

# EXHIBIT E

**Sinapalu Lease**

FILE NO. 92-2048

32 JUN 22 P 3:31

COMMONWEALTH OF THE NORTHERN MARIANAS

COMMONWEALTH RECORDER

SAIPAN, MARIANA ISLANDS

LEASE AGREEMENT

This Lease Agreement, made this 22 day of June 1992, on Saipan, Mariana Islands, by and between the MARIANA PUBLIC LAND CORPORATION, its successors and assigns, hereinaft called the "Corporation", whose offices are located at Capit Hill, Saipan, Mariana Islands, and MICRONESIAN TELECOMMUNICATIO CORPORATION, its successors and assigns, hereinafter call "Lessee".

The parties agree as follows:

ARTICLE 1. GRANT OF PREMISES

The Corporation leases to the Lessee the described property known as Lot No. 345 R 449, located in Sinapalo, R Commonwealth of the Northern Mariana Islands, containing an are 2,090 square meters, more or less, as shown on Drawing/Cadas Plat 345 R 16, Commonwealth Recorder's File No. 92-1457, appri April 29, 1992, attached as Exhibit "A" which is incorpor herein and made part hereof by reference, together with existing improvements thereon and appurtenances thereto, h called the "Premises".

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P.O. Box 380  
Saipan, Northern Mariana Islands 96950

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Saipan, Northern Mariana Islands 96950

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ARTICLE 2. PURPOSE

The property shall be used, except with the written consent of the Corporation, for the purpose of constructing a concrete or modular type building for administrative and operations office including storage of cables, conduits, and related telephone supplies and materials, and to conduct other activities directly related to the telephone and communications business operation. The Lessee shall not use the premises for residential purposes provided, however, any quarters for security personnel may be maintained.

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ARTICLE 3. TERM

The term of this Lease shall be for a period of twenty-five (25) years unless otherwise terminated pursuant to applicable provisions of this Lease. The leasehold term shall commence upon signing of this agreement.

ARTICLE 4. GRANT TO EXTEND

The Corporation grants the Lessee an extension of this Lease for one (1) additional term of fifteen (15) years subject to all of the terms and provisions set forth in this Lease; provided, however, that the extension for an additional fifteen (15) years shall be subject to the approval by the Northern Mariana Commonwealth Legislature as provided for under Article X Section (c) of the Constitution of the Northern Mariana Island

## ARTICLE 5. RENTAL

The Lessee, in consideration of the foregoing, covenants and agrees to pay to the Corporation, in the manner prescribed herein, in lawful money of the United States, annually as required for the Premises leased hereby the following rentals:

## A. GUARANTEED ANNUAL RENTAL

PERIOD	RENT
1st Five Year Period	\$2,960.00
2nd Five Year Period	3,196.80
3rd Five Year Period	3,452.54
4th Five Year Period	3,728.75
5th Five Year Period	4,027.05

The above annual rental shall be paid quarterly in advance.

B. Manner of Payment. The Lessee shall discharge its obligation of payment under this Article by depositing its payments required under this Article with the Marianas Public Land Corporation Office, located at Capitol Hill, Saipan, Marianas Islands, or in such manner as the Corporation may from time to time designate in writing.

C. Interest on Past Due Rental. Past due rental shall bear interest at one percent (1%) per month compounded monthly, from the date it becomes due until paid. This provision shall not be construed to relieve the Lessee from any default

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1 taking any rental payment at the time and in the manner herein  
2 specified.

3 ARTICLE 6. APPRAISAL AND DETERMINATION OF RENTAL AFTER EACH  
4 TEN YEARS

5 Notwithstanding the provision under Article 5A, at the end of  
6 each ten (10) year period of this Lease Agreement or renewal or  
7 extension thereof, the guaranteed annual rental payable by the  
8 Lessee to the Corporation for the next two five-year period shall  
9 be based upon eight (8%) percent of the appraised fair market value  
10 of the unimproved land or as provided for under Article 5  
11 whichever is greater utilizing the land residual method of  
12 appraisal.

13 The appraised market value will be determined by an  
14 independent appraiser who must be a member of a nationally accepted  
15 appraisal society, to be selected by the agreement between the  
16 Corporation and the Lessee. In the event that the Corporation and  
17 the Lessee cannot reach an agreement on the selection of the  
18 appraiser, the appraiser will be selected by the Chief Justice or  
19 Associate Justice of the Commonwealth Supreme Court. The cost of  
20 the appraisal will be borne by the Lessee.

21 ARTICLE 7. ANNUAL REPORTS AND AUDIT

22 The Lessee shall, not later than forty-five (45) days after  
23 the end of each calendar year of this Lease Agreement, submit to  
24 the Corporation U.S. CPA audited financial statements. Any duly  
25 authorized representative of the Corporation shall have access  
26 and the right to examine and audit any or all pertinent book  
documents, papers and records of the Lessee and its sublessee and

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1 concessionaires relating to this Lease Agreement during the normal  
2 business hours of any working days. Lessee shall insert a similar  
3 provision in all subleases pertaining to this right of access,  
4 examination, and audit and shall make available to said  
5 representative(s) or agent(s) all books and records of the Lessee  
6 or its sublessee and concessionaires which may be requested or may  
7 be necessary for completion of a special audit of any or all  
8 activities or enterprises conducted on the Premises.

9 The Lessee shall keep and maintain its accounting and  
10 bookkeeping system in accordance with generally accepted  
11 accounting principles applicable to the industry. The Lessee  
12 shall keep its accounting books and records at all times in the  
13 English language.

#### 14 ARTICLE 8. PERMITS, CONSTRUCTION PLANS, AND SPECIFICATIONS

15 A. Permits. The Lessee agrees and covenants that within six  
16 (6) months from commencement of this Lease Agreement, it will  
17 at its own expense and risks secure all required CNMI Government  
18 and applicable federal permits.

19 B. Construction Plans and Specifications. The Lessee agrees  
20 and covenants that within nine (9) months from commencement  
21 of this Lease Agreement, it will submit complete construction plans  
22 and specifications for construction of facilities and structures  
23 authorized under this Article. Upon submittal by the Lessee,  
24 the Corporation has fifteen (15) working days to review the submitted  
25 construction plans and specifications and to notify the Lessee of  
26 approval or disapproval of the submitted plans. In the event  
changes are necessary, the Corporation shall give the Lessee



reasonable time to make necessary changes to the plans for resubmittal to the Corporation. If the Corporation does not notify the Lessee in writing of the status of the submitted plans within the thirty (30) working days review period, then the submitted plans and specifications are deemed approved.

#### ARTICLE 9. CONSTRUCTION SCHEDULE

The Lessee agrees and covenants that within fifteen (15) months from commencement date of this Lease Agreement, it will at its own cost, risk and expense, commence construction of facilities and improvements in accordance with the approved plans as required under Article 8B and will diligently pursue its construction and said construction must be completed no later than twenty-four (24) months from the commencement date of the Lease Agreement subject to excused delay of performance as provided in Article 10.

#### ARTICLE 10. EXCUSED DELAY OF PERFORMANCE

Whenever under this Lease Agreement a time is stated within which or by which original construction, repairs, reconstruction or other performance by the Lessee shall be commenced or be completed, and a failure or delay in such performance is due, in whole or in part, to fire, explosion, earthquake, storm, flood, drought or other unusually severe weather conditions, accident, breakdown of machinery or facilities, strike, lockout, combination of workmen, war, insurrection, riot, act of God or the public enemy, or any contingency or delay or failure or cause of any nature beyond the reasonable control of either party, whether or not of the kind hereinbefore specified and whether or not any such contingency is

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1 presently occurring or occurs in the future, and such failure or  
2 delay does not result from the fault or negligence of the Lessee,  
3 the period of delay so caused shall be added to the period allowed  
4 herein for the completion of such work provided, however, that the  
5 Lessee shall notify the Corporation in writing within thirty (30)  
6 days after the occurrence of any of the above events.

7 ARTICLE 11. CONSTRUCTION, MAINTENANCE, REPAIR, ALTERATION

8 All improvements placed on the Premises shall be constructed  
9 in good and workmanlike manner and in compliance with applicable  
10 laws, regulations, ordinances, and building codes. All portions of  
11 buildings located upon the Premises exposed to perimeter properties  
12 or to the public view shall present a pleasant appearance and all  
13 service areas shall be screened from public view. The Lessee  
14 shall, at all times during the term of this Lease Agreement and at  
15 the Lessee's sole cost and expense, maintain the Premises and all  
16 improvements thereon in good order and repair and in a neat  
17 sanitary and attractive condition. Unless the same area to be  
18 promptly replaced with improvements having at least an equal value  
19 no removal or demolition of improvements have a value in excess of  
20 \$25,000.00 shall take place without the prior written consent of  
21 the Corporation. The consent may be conditioned by the Corporation  
22 upon an amendment to Article 5 and the other terms of the Lease.  
23 The Lessee shall indemnify and hold harmless the Corporation  
24 against liability for all claims arising from the Lessee's failure  
25 to maintain the Premises and the improvements situated thereon as  
26 hereinabove provided, or from the Lessee's violation of any law,

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ordinance, or regulation applicable thereto.

ARTICLE 12. SUBLEASE, ASSIGNMENT, TRANSFER, CONCESSIONS

(a) Except with the prior consent in writing of the Corporation in each instance, Lessee shall not, with respect to development on the public land leased hereby:

(1) assign, sublease or transfer all or any part of the Lessee's interest in or to the Premises, or permit the Premises to be used or occupied by others, or

(2) enter into a management contract or other arrangement by which the Premises shall be managed and operated by anyone other than Lessee, or

(3) grant concessions, permits, or otherwise contract for or permit any business or commercial enterprise or activities to be constructed or performed on the Premises by any person other than the Lessee.

In addition, this Lease shall not be assigned or transferred by operation of law. In no event shall Lessee assign or otherwise transfer this Lease within five (5) years from the date of its execution.

The consent by the Corporation to an assignment, transfer, management contract, use, occupancy, permit, or subletting may be granted, denied or made subject to such conditions as the Corporation finds it in the best interest of its beneficiaries. No sublease, assignment, transfer, concession, permit, or contract shall be valid without the approval of the Corporation, and the same shall only be valid if the respective sublessee, assignee, transferee,

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concessionaire, permittee, or other contracting party agrees in writing that the provisions of this Lease bind such sublessee, assignee, transferee, concessionaire, permittee, or contracting party.

Once given, the Corporation's consent shall not relieve Lessee in any way from obtaining the prior consent in writing of the Corporation to any further assignment, transfer, management contract, use, occupancy, or subletting.

For purposes of this section, "Premises" includes any portion of the leased Premises or any improvement on the leased Premises, and "Lessee" includes Lessee's employees, successors, and assigns.

(b) If the sale, assignment, transfer, use, or other disposition of any of the issued and outstanding capital stock of Lessee (or of any successor or assignee of Lessee which is a corporation), or of the interest of any general partner in a partnership owning the leasehold estate created hereby, or of the interest of any member of a joint venture, syndicate, or other group which may collectively own such leasehold estate, shall result in changing the control of Lessee or such other corporation, partnership, joint venture, syndicate, or other group, then such sale, assignment, transfer, use, or other disposition shall be deemed an assignment of this Lease and shall be subject to all the provisions of this Lease with respect to assignments.

For the purposes of this Section, "control" of any corporation shall be deemed to be vested in the person or persons owning more

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1 than fifty percent (50%) of the voting power for the election of  
2 the Board of Directors of such corporation and "control" of a  
3 partnership, joint venture, syndicate, or other group shall be  
4 deemed to be vested in the person or persons owing more than fifty  
5 percent (50%) of the general partner's interest in such partnership  
6 or of the total interest in such joint venture, syndicate, or other  
7 group. For purposes of determining control by a person, members of  
8 the family of any assignor or transferror shall be included. For  
9 purposes of this section, "member of the family" include a person's  
10 spouse, grandparents, parents brothers and sisters, nephews and  
11 nieces, and children by adoption and by blood. Lessee shall  
12 furnish an annual statement to the Corporation that includes the  
13 names and addresses of all stockholders in any corporation or  
14 general partners in any partnership holding this Lease, showing the  
15 number of shares of stock owned by each stockholder of such  
16 corporation, or the respective interest of the partners in such  
17 partnership, as the case may be. Such statement shall be signed  
18 under oath by an officer of each corporation and by a general  
19 partner of each partnership holding this Lease.

20 (c) No assignment made with Corporation's consent shall be  
21 effective until there shall have been delivered to Corporation a  
22 executed counterpart of such assignment containing an agreement, in  
23 recordable form, executed by the assignor and the proposed  
24 assignee, in which the assignee assumes due performance of the  
25 obligations on the assignor's part to be performed under this Lease  
26 to the end of the leasehold term.

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(d) If the Corporation consents to an assignment, it shall assess a fee of twenty-five percent (25%) of the capital gain attributable to the leased land. The term "capital gain" is defined as the sale amount less the book value of all the improvements and fixtures. Lessee shall pay the fee at closing of the assignment. If the Corporation consents to a sublease or other transfer, it shall assess a fee of twenty-five (25%) of the difference between the amount owed in rental from the sublessor (or transferor) and the amount the sublessor (or transferor) is to receive from the sublessee or transferee in rental payments or other compensation.

#### ARTICLE 13. STATUS OF SUBLEASES

Termination of this Lease Agreement, in whole or in part, by cancellation or otherwise, shall not serve to terminate subleases, concessions, or subtenancies, but shall operate as an assignment to the Corporation of any and all such subleases, concessions, and subtenancies.

#### ARTICLE 14. AGREEMENTS FOR UTILITY LINES

The Lessee shall have the right to enter into agreement with public utility companies or with the Government of the Commonwealth of the Northern Mariana Islands and/or any of its agencies to provide utility services, including water, electricity, telephone, television, and sewer line necessary to the full enjoyment of the Premises and the development thereof in accordance with the provisions of this Lease Agreement. Subject to prior consultation with Lessee, the Corporation reserves the authority to grant

1 utility rights of way across the Premises. The Lessee shall  
2 furnish to the Corporation executed copies thereof together with a  
3 plat or diagram showing the true location of the utility lines to  
4 be constructed in accordance therewith.

5 **ARTICLE 15. RIGHTS-OF-WAY FOR UTILITY LINES**

6 The Corporation hereby agrees to grant rights-of-way on, or  
7 across public lands for utility lines necessary to the full  
8 enjoyment of the Premises and the full development thereof. Such  
9 rights-of-way are to be granted by the Corporation in accordance  
10 with the approved general development and construction plans.

11 **ARTICLE 16. RIGHT OF MORTGAGE**

12 The Lessee, its successors and assigns may, subject to the  
13 express prior written approval of the Corporation, mortgage this  
14 Lease Agreement and the Lessee's interest hereunder, provided that  
15 no holder of any mortgage of this Lease Agreement or the  
16 Lessee's interest hereunder, or any one claiming by, through or  
17 under any such mortgage shall, by virtue thereof, except as  
18 provided in Article 16 hereof, acquire any greater rights hereunder  
19 than the Lessee, and no mortgage of this Lease Agreement or the  
20 Lessee's interest hereunder, in whole or in part, by the Lessee or  
21 the Lessee's successors or assigns shall be valid, unless: (i) at  
22 the time of the making of such mortgage, there shall be no default  
23 under any of the agreements, terms, covenants and conditions to be  
24 performed by the Lessee under this Lease; (ii) such mortgage shall  
25 be subject to all the agreements, terms, covenants and conditions  
26 of this Lease Agreement, (iii) any such mortgage shall reserve to

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the Corporation prior right, in the event of Lessee's default under the same and after notice of the same character and duration as required to be given to Lessee, to correct the default or to purchase the same and terminate this Lease Agreement; and (iv) such mortgage shall contain the following provisions:

"This instrument is executed upon condition that (unless this condition be released or waived by the Corporation or its successors in interest by an instrument in writing) no purchaser or transferee of said Lease Agreement at any foreclosure sale hereunder, or other transfer authorized by law by reason of a default hereunder where no foreclosure sale is required, shall, as a result of such sale or transfer, acquire any right, title or interest in or to said Lease Agreement or the leasehold estate hereby mortgaged unless (i) the Corporation shall receive written notice of such sale or transfer of said Lease Agreement within fifteen (15) days after the effective date of such sale or transfer and (ii) a duplicate original copy of the instrument or instruments used to affect such sale or transfer shall be delivered to the Corporation within thirty (30) days after the execution and delivery thereof."

Any mortgage entered into shall be strict compliance with applicable laws and regulations, including mortgage security instrument laws, or applicable constitutional provisions, in order to be valid and enforceable.

## ARTICLE 17. RIGHTS OF LEASEHOLD MORTGAGEES

1 If the Lessee or the Lessee's successors or assigns shall  
2 mortgage this Lease Agreement or its interest in the Premises, in  
3 accordance with the provisions of this Lease Agreement, then so  
4 long as any such leasehold mortgage, as hereinafter defined,  
5 shall remain unsatisfied of record, the following provisions shall  
6 apply:

7 A. Notice to Mortgagee. The Corporation shall serve upon  
8 the Lessee any notice of default pursuant to the provisions of  
9 Article 23 or any other notice under the provisions of or with  
10 respect to this Lease Agreement. The Lessee shall thereafter serve  
11 a copy of such notice upon the holder of the then existing mortgage  
12 of this Lease Agreement or the Premises. Service of such notice of  
13 default upon the Lessee shall be deemed as service on the mortgagee  
14 who shall thereafter have the same period as the Lessee for  
15 remedying the default or causing the same to be remedied, as is  
16 given the Lessee after service of such notice upon it.

17 B. Remedy. Such leasehold mortgagee of this Lease Agreement  
18 or the Premises, in case the Lessee shall be in default hereunder  
19 shall, within the period and otherwise as herein provided, have the  
20 right to remedy such default, or cause the same to be remedied, and  
21 the Corporation shall accept such performance by or at the  
22 instigation of such leasehold mortgagee as if the same had been  
23 performed by the Lessee.

24 C. Diligent Prosecution. No default on the part of Lessee  
25 in the performance work required to be performed, or acts to be  
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1 done, or conditions to be remedied, shall be deemed to exist, if  
2 steps shall, in good faith, have been commenced promptly to rectify  
3 the same and shall be prosecuted to completion with diligence and  
4 continuity in accordance with Article 23, on "Default", unless  
5 otherwise specified in this Lease Agreement.

6 D. Termination. Anything herein contained notwithstanding  
7 while such leasehold mortgage remains unsatisfied of record, if any  
8 event or events shall occur which shall entitle the Corporation to  
9 terminate this Lease Agreement, and if before the expiration of  
10 ninety (90) days after the date of service of notice of termination  
11 by the Corporation all rent and other payments herein provided for  
12 then in default is fully paid, and shall have complied or shall be  
13 engaged in the work of complying with all the other requirements of  
14 this Lease Agreement, if any, then in default, then in such event  
15 the Corporation shall not be entitled to terminate this Lease  
16 Agreement and any notice of termination theretofore given shall be  
17 void and of no force or effect, provided, however, nothing herein  
18 contained shall in any way affect, diminish or impair the right of  
19 Corporation to terminate this Lease Agreement or to enforce any  
20 other subsequent default in the performance of any of the  
21 obligations of the Lessee hereunder.

22 E. Notice of Termination. In the event of the termination  
23 of this Lease Agreement prior to the natural expiration of the term  
24 hereof, whether by summary proceedings to dispossess, service of  
25 notice to terminate or otherwise, due to default of the Lessee as  
26 provided in Article 23 hereof, or any other default of the Lessee,

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1 the Corporation shall serve upon the holder of the then existing  
2 mortgage on this Lease Agreement or the Premises written notice of  
3 such termination. Nothing herein contained shall release the  
4 Lessee from any of its obligations under this Lease Agreement which  
5 may not have been discharged or fully performed by any mortgage of  
6 this Lease Agreement or the Premises, or its designee.

7 F. First Mortgage Only. Whenever reference is made herein  
8 to the holder of the mortgage on this Lease Agreement or the  
9 Premises, the same shall be deemed to refer only to the holder of  
10 the first mortgage on this Lease Agreement or the Premises, if any,  
11 as shown by last notice by registered mail given to the  
12 Corporation. Any notice or other communication to any such holder  
13 or mortgage shall be in writing and shall be served either  
14 personally or by certified or registered airmail address to such  
15 holder or mortgagee at his address appearing on such records or at  
16 such other address as may have been designated by notice in writing  
17 from such holder or mortgagee to the party serving such notice of  
18 communications. Nothing contained in this Article shall be  
19 construed so as to require the Corporation to serve notices upon or  
20 recognize any leasehold mortgagees other than the holder of such  
21 first mortgage on this Lease Agreement or the Premises, as  
22 aforesaid.

23 ARTICLE 18. FIRE AND DAMAGE INSURANCE

24 The Lessee shall, from the effective date of this Lease  
25 Agreement, carry fire and damage insurance with extended coverage  
26 endorsements, jointly in the names of the Lessee and the

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Corporation, covering the full insurable value of all permanent improvements on the Premises, subject to appropriate co-insurance provisions. The policy shall contain a clause requiring that the Corporation be given thirty (30) days notice prior to any cancellation or termination of the policy. A copy of such policy or policies or an acceptable certificate shall be deposited with the Corporation within thirty (30) days of the same obtained by the Lessee. In the event of damage to any permanent improvement on the Premises, the Lessee shall reconstruct such improvement in compliance with applicable laws, ordinances, and regulations and in accordance with applicable laws, ordinances, and regulations and in accordance with the applicable provisions of this Lease Agreement. Such reconstruction shall commence within six (6) months after the damage occurs and shall be pursued diligently and completed within one (1) year of the occurrence.

In the event of damage to the extent of seventy-five percent (75%) or more of the total value of all permanent improvements on the Premises during the last five (5) years of the term of this Lease Agreement, the Lessee for ninety (90) days shall have the option to agree to reconstruct the damaged improvement(s). Should the Lessee fail to notify the Corporation in writing of the exercise of its option to reconstruct within ninety (90) days of the occurrence of damage, the Premises shall be cleared at the Lessee's expense and upon completion of such clearing this Lease Agreement shall terminate. In the event Lessee shall elect not to rebuild damaged improvements during the last five year term of the



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1 Lease, all insurance proceeds accruing as a result of the fire  
2 damage, it is jointly agreed hereto, shall be for the  
3 sole benefit of and made payable to the Corporation, or its lawf  
4 successors and assigns. Any damages incurred or suffered by a  
5 sublessee, assignee, mortgagee or otherwise as a result of su  
6 termination shall be borne solely by the Lessee.

7 ARTICLE 19. NOTICES

8 All notices shall be made by personal delivery or by  
9 registered or certified mail, addressed to the proper party  
10 follows:

11 CORPORATION: P.O. Box 380  
12 Saipan, MP 96950

13 LESSEE: P.O. Box 306  
14 Saipan, MP 96950

15  
16 All notices to the Lessor or the Corporation shall be deem  
17 delivered as of the date of the post mark of any mail or notice  
18 properly addressed and registered by the U.S. Post Office provid  
19 that such notice and mail is properly addressed, as set  
20 forth above, contains sufficient postage and is registered.

21 ARTICLE 20. LIABILITY INSURANCE

22 Lessee covenants and agrees to save and keep harmless the  
23 Corporation against all liabilities, damages and claims to pers  
24 or property, and in connection therewith, Lessee agrees to procur  
25 and maintain in force during the term of this Lease and any  
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1 extension thereof, at its expense, public liability insurance, in  
2 companies authorized to do business in the Northern Mariana  
3 Islands, in a minimum amount of \$100,000 for each person  
4 injured, \$300,000 for any one accident, and \$300,000 for property  
5 damage or such higher amounts as the Corporation may reasonably  
6 require. Copies of such policies shall be delivered to the  
7 Corporation and shall contain a clause stating that at least thirty  
8 (30) days notice shall be given to the Corporation prior to  
9 cancellation or refusal to renew any such policies. Lessee agrees  
10 that if such insurance policies are not kept in force during the  
11 entire term of this Lease, the Corporation may procure the  
12 necessary insurance, pay the premium therefore, and such premium  
13 shall be repaid to the Corporation immediately upon the  
14 Corporation's demand.

15 ARTICLE 21. CONDEMNATION

16 The Corporation and Lessee covenant and agree that in the  
17 event the whole property hereby leased shall be taken in  
18 condemnation proceedings or by any right of eminent domain, or  
19 otherwise, for public purposes, then and on the happening of any  
20 such event, the Corporation or Lessee, may terminate this Lease and  
21 the term hereby granted and all the rights of the Lessee hereunder,  
22 and the rent shall be paid up to the date of such condemnation or  
23 termination and any unearned rent paid in advance by the Lessee  
24 shall be refunded prorata. In the event any portion of the  
25 property hereby leased is condemned or taken by right of eminent  
26 domain or otherwise for public purposes, thereby rendering the

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1 leased property unsuitable for the purposes of Lessee as stated in  
2 Article 2 above, then and on the happening of such event Lessee may  
3 terminate this Lease and the term hereby granted and all the rights  
4 of the Lessee hereunder and the rent shall be paid up to the date  
5 of such termination or condemnation and any unearned rent paid in  
6 advance by the Lessee shall be refunded prorata. If Lessee does  
7 not terminate this Lease upon such event, then the rent shall be  
8 reduced in proportion of the land taken as such bears to the total  
9 area of land leased. The Corporation and the Lessee may each  
10 independently file separate claims in such proceedings for the  
11 purpose of having the value of their respective interests  
12 determined, and the award shall be paid accordingly; but if the  
13 public or governmental authorities shall object or refuse to permit  
14 separate claims to be proved and/or distributed said award in such  
15 manner, the Corporation will prosecute all claims for damages to  
16 the Premises on behalf of both the Corporation and the Lessee (and  
17 authority to do so is hereby granted), and after deducting all  
18 reasonable expenses incurred by the Corporation incident thereto,  
19 the balance of said award shall be divided between the Corporation  
20 and the Lessee prorata in proportion to their respective interests  
21 as established in that proceedings. In the event the Corporation  
22 prosecutes the claim on behalf of both parties hereto, all such  
23 awards shall be paid to the Corporation for the account of the  
24 Corporation and Lessee as hereinbefore provided.

25 ARTICLE 22. ABANDONMENT OF PREMISES

26 Should the Lessee fail to use the Premises for the purpose set

1 forth in this Lease Agreement for a consecutive period of ninety  
2 (90) days without securing the written consent of the  
3 Corporation, the Lessee shall be deemed to have abandoned the  
4 Premises, so that in such event this Lease Agreement may, at the  
5 option of the Corporation, be terminated pursuant to the provisions  
6 of Article 23 hereof without further notice to the Lessee.

7 **ARTICLE 23. DEFAULT**

8 Time is of the essence and Lessee shall automatically be in  
9 default of this Lease if:

- 10 A. Lessee shall fail to pay any installment or rent hereby  
11 reserved or shall fail to pay any taxes or other  
12 charges required to be paid by Lessee within thirty  
13 (30) days after the due date under the terms of this  
14 Lease.  
15 B. Lessee shall breach any term, provision or covenant of  
16 this Lease, other than the payment of rent, taxes, or  
17 other charges, and fails to commence the removal or  
18 curing of such breach within thirty (30) days from and  
19 after written notice from the Corporation.  
20 C. Lessee shall become insolvent or adjudicated bankrupt.  
21 D. Lessee abandons the Premises as provided in Article 22.

22 Any notices, as may be required by law or this Lease, shall be  
23 delivered as provided by Article 19 of this Lease.

24 **ARTICLE 24. REMEDIES**

25 Upon the occurrence of any event of default specified in  
26 Article 23, the Corporation may terminate this Lease and may, upon

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1 fifteen (15) days written notice, enter in, into and upon  
2 the leased premises and take possession of all buildings, fixtures  
3 and improvements, and evict Lessee without liability of trespass.  
4 The remedies herein shall not prejudice the Corporation's other  
5 rights and remedies at law or equity.

6 **ARTICLE 25. OPTION TO TERMINATE**

7 In the event that the Lessee shall at any time be prevented  
8 from utilizing the property for the purposes herein stated for any  
9 reasons beyond the reasonable control of Lessee, such as but not  
10 limited to, the failure of Lessee to receive the necessary  
11 government licenses and permits required for earth clearing and  
12 construction or by action by any government agency or judicial  
13 decree preventing Lessee from utilizing the property for the  
14 intended purpose, then and in such event, Lessee shall have the  
15 option to terminate this Lease Agreement upon ninety (90) days  
16 written notice to the Corporation.

17 **ARTICLE 26. ACCORD AND SATISFACTION**

18 No payment by Lessee or receipt by the Corporation of a lesser  
19 amount than the annual rent herein stipulated shall be deemed to be  
20 other than on account of rents due, nor shall any endorsement on  
21 statement on any check or any letter accompanying any check or  
22 payment of rent be deemed an accord and satisfaction, and the  
23 Corporation may accept such check or payment without prejudice to  
24 the Corporation's right to recover the balance of such rent or  
25 pursue any other remedy provided in this Lease. In the event that  
26 the rent or any other monies which are due hereunder by Lessee are

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1 delinquent, the Corporation may, upon the receipt of any payments,  
2 apply them to any account or period it shall determine in its  
3 discretion.

4 **ARTICLE 27. WAIVER OF BREACH**

5 Waiver by the Corporation of any breach of any term, covenant  
6 or condition herein contained shall not be deemed to be a waiver of  
7 any subsequent breach of the same or any other term, covenant or  
8 condition herein contained. The acceptance of rent by the  
9 Corporation shall not be deemed to be a waiver of any of the terms  
10 or conditions including the remedies of Corporation hereof. No  
11 covenant herein shall be deemed to be waived by the Corporation  
12 unless such waiver be in writing by the Corporation.

13 **ARTICLE 28. EXPENSE OF ENJOYMENT**

14 If action be brought by the Corporation for rent or any other  
15 sums of money due under this Lease Agreement, or if any action be  
16 brought by either the Corporation or Lessee to enforce performance  
17 of any of the covenants and/or conditions of this Lease Agreement  
18 the losing and defaulting party shall pay reasonable attorney's  
19 fees to be fixed by the Court as a part of the costs in any action

20 **ARTICLE 29. INDEMNITY**

21 Lessee will hold the Corporation harmless from any claim or  
22 demand by third persons for damage, including claims for property  
23 damage, personal injury or wrongful death, arising out of an  
24 accident on or about the demised premises, or occasioned by an  
25 nuisance made or suffered on the Premises, or by any fire or  
26 explosion thereon, or caused by any failure on the part of the

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1 Lessee to maintain the Premises in a safe condition. All property  
2 chattels, fixtures, furnishing, etc., which may belong to the  
3 Lessee or to third parties, shall be maintained on the property at  
4 the sole risk of the Lessee and the terms and conditions of this  
5 indemnity clause shall be applicable hereto and shall hold the  
6 Corporation harmless, as set forth herein.

7 ARTICLE 30. COVENANT AND ENJOYMENT

8 The Corporation covenants that the Lessee, upon paying the  
9 rent required herein and upon fulfilling all the conditions and  
10 agreements, required of the Lessee, shall and may lawfully,  
11 peacefully and quietly have, and hold, use, occupy and possess and  
12 enjoy the property during the term agreed upon without any suit  
13 hindrance, eviction, ejection, molestation, or interruption  
14 whatsoever of or by the Corporation, or by any other person  
15 lawfully claiming by, from, under or against the Corporation.

16 ARTICLE 31. UNLAWFUL USE AND COMPLIANCE WITH LAWS

17 The Lessee covenants and agrees not to use or cause or permit  
18 to be used any part of the Premises for any unlawful conduct or  
19 purpose. Lessee agrees to comply with all property, building  
20 health, sanitation, safety and other laws and regulations of the  
21 Commonwealth of the Northern Mariana Islands, which are in effect  
22 for which may hereafter become effective.

23 ARTICLE 32. "HOLD OVER" CLAUSE

24 If the Lessee shall remain in possession after the expiration  
25 of the term of this Lease Agreement or the extension thereof, the  
26 Lessee shall be a tenant on a month-to-month basis and there shall

1 be no renewal of this Lease Agreement by operation of law or  
2 otherwise.

3 ARTICLE 33. CONDITION OF PREMISES

4 The Lessee acknowledges that it has examined the Premises  
5 prior to the making of this Lease Agreement and knows the  
6 conditions thereof and that no representation other than those  
7 expressed herein have been made by the Corporation, and the Lessee  
8 hereby accepts the Premises in their present condition at the date  
9 of execution of this Lease Agreement.

10 ARTICLE 34. PUBLIC AUDITOR

11 The Lease Agreement is subject to 1 CMC Section 7845. The  
12 Lessee, its sublessee, successors, and assigns, shall provide, upon  
13 request, all records and reports, and shall allow audit,  
14 inspection, and access to its books, records, documents,  
15 correspondence, and any other data and material relating to this  
16 Lease Agreement, to the Public Auditor of the Commonwealth of the  
17 Northern Mariana Islands. This right of access and inspections  
18 shall continue until the expiration of three (3) years after the  
19 final rental payment under the Lease is made.

20 ARTICLE 35. GENERAL PROVISIONS AND DEFINITIONS

21 A. Waiver. No waiver of any default of the Lessee  
22 hereunder shall be implied from any omission by the Corporation to  
23 take any action on account of such default if such default persists  
24 or is repeated, and no express waiver shall affect the default  
25 other than the default specified in the express waiver, and that  
26 only for the time and to the extent therein stated. One or more

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1 waivers of any covenant, term or condition of this Lease Agreement  
2 by the Corporation shall not be construed as a waiver of any  
3 subsequent breach of the same covenant, term or condition. The  
4 consent or approval by the Corporation to or of any act by the  
5 Lessee requiring the Corporation's consent or approval shall not be  
6 deemed to waiver or render unnecessary the Corporation's consent or  
7 approval to or of any subsequent or similar acts by the Lessee.

8 B. Agreement Complete. It is hereby expressly agreed that  
9 this Lease Agreement together with the exhibits attached hereto  
10 contains all of the terms, covenants, conditions and agreements  
11 between the parties hereto relating in any manner to the use and  
12 occupancy of the Premises, and that the execution hereof has not  
13 been induced by either of the parties by representations, promises  
14 or understandings not expressed herein and that there are no  
15 collateral agreements, stipulations, promises or understandings of  
16 any nature whatsoever between the parties hereto relating in any  
17 manner to the use and occupancy of the Premises and none shall be  
18 valid or of any force or effect, and that the terms, covenants,  
19 conditions and provisions of this Lease Agreement cannot be  
20 altered, changed, modified or added to except in writing signed by  
21 the parties hereto.

22 C. Interpretation. The language in all parts of this shall  
23 be in all cases construed simply, according to its fair meaning,  
24 and not strictly for or against the Corporation or the Lessee.  
25 Captions and paragraph headings contained herein are for  
26 convenience and reference only, and shall not be deemed to limit or

in any manner restrict the contents of the paragraph.

1       D. Concessionaire. For the purpose of this Lease Agreement  
2 any concessionaire of the Lessee shall be deemed to be a sublessee  
3 and all of the provisions of this Lease Agreement applicable to  
4 sublessee and subleases shall be equally applicable to the granting  
5 of any concession and to concessionaires with the same force and  
6 effect as though specially provided therein.

7       E. Government Representative. The authorized Representative  
8 of the Corporation for the purpose of this Lease Agreement shall be  
9 the Executive Director or such other person as the Executive  
10 Director may designate in writing.

11       F. Companies Bonding and Insuring. All corporate surety  
12 bonds provided by the Lessee in compliance with this Lease  
13 Agreement shall be furnished by companies holding certificates of  
14 authority from the Secretary of the Treasury of the United States  
15 of America as acceptable sureties on Federal bonds. All insurance  
16 obtained by the Lessee in compliance with this Lease Agreement  
17 shall be obtained from reputable companies acceptable to the  
18 Corporation.

19       G. Law Governing. This Lease Agreement shall be governed by  
20 the laws of the Commonwealth of the Northern Mariana islands, both  
21 as to the interpretation and performance.

22       ARTICLE 36. LEASE AGREEMENT BINDING

23       This Lease Agreement and the covenants, conditions and  
24 restrictions hereof shall extend to and be binding upon the parties  
25 hereto, their heirs, successors and assigns and to any other person  
26

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1 claiming to hold or to exercise any interest by, under or through  
2 any of the parties hereto.

3 IN WITNESS WHEREOF, the parties have executed the Agreement on  
4 the date first written above.

5 MARIANAS PUBLIC LAND  
6 CORPORATION

7 By: 

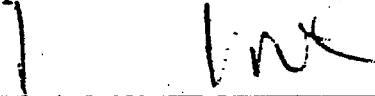
8 Augustin M. Tagabuel  
9 Chairman  
10 Board of Directors

MICRONESIAN TELECOMMUNICATION  
CORPORATION

By: 

Roy N. Morioka  
General Manager

11 Approved as to form and legality:

12   
13 \_\_\_\_\_  
14 MPLC Legal Counsel

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Commonwealth of the Northern  
Mariana Islands

ss. ACKNOWLEDGMENT

Saipan, No. Mariana Islands

ON THIS 22<sup>nd</sup> day of June, 1992, before me, a  
Notary Public in and for the Commonwealth of the Northern  
Mariana Islands, personally appeared AUGUSTIN M. TAGABUEL,  
Chairman, Board of Directors, Marianas Public Land  
Corporation, known to me to be the person whose name is  
subscribed to the foregoing instrument and acknowledged to me  
that he executed the same on behalf of the Corporation as his  
free and voluntary act and deed for the purposes therein set  
forth.

IN WITNESS WHEREOF, I have hereunto set my hand and  
affixed my official seal the day and year first above written.



*B. Camacho*  
Notary Public

**BERTHA T. CAMACHO**  
Notary Public

Commonwealth of the Northern Mariana Islands  
My Commission Expires on the  
27<sup>th</sup> day of August, 1993

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ACKNOWLEDGMENT

COMMONWEALTH OF THE )  
NORTHERN MARIANA ISLANDS ) ss:

On this 22<sup>nd</sup> day of June, 1992, before me appeared Roy N. Morioka, General Manager, Micronesian Telecommunication Corporation, known to me to be the person whose name is subscribed to the foregoing Instrument and acknowledged that he signed and delivered said Instrument as his free and voluntary act for the purposes therein set forth.

In Witness Whereof, I hereunto set my hand and seal this 22<sup>nd</sup> day of June, 1992.



Erna I. Kapileo  
Notary Public

ERNA I. KAPILEO  
Commonwealth of the Northern Mariana Islands  
My Commission expires on the  
01<sup>st</sup> day of February, 1994

**NOTES TO FILE:**

**Re: MTC Rota**

**Revised Articles are:**

**Article 3 - Term**

**Article 5 - Rental, Section C**

**Article 8 - Permits, Construction Plans, Section A, B**

**Article 9 - Construction Schedule**